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## Congress of the United States

JOINT COMMITTEE ON TAXATION

1015 LONGWORTH HOUSE OFFICE BUILDING

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<http://www.house.gov/jct>THOMAS A. BARTHOLD  
DEPUTY CHIEF OF STAFFBERNARD A. SCHMITT  
DEPUTY CHIEF OF STAFF**MEMORANDUM**

NOV 06 2007

**TO:** Jon Traub

**FROM:** Ed Kleinbard *EDK*

**SUBJECT:** Revenue Estimate Request

This memorandum is a follow-up to your request of November 2, 2007, for information regarding H.R. 3970, the "Tax Reduction and Reform Act of 2007," and the permanent extension of the provisions of "Economic Growth and Tax Relief Reconciliation Act of 2001" ("EGTRRA") and the "Jobs and Growth Tax Relief Reconciliation Act of 2003" ("JGTRRA").

You requested we provide you with a distribution by adjusted gross income ("AGI") of the number of individual returns affected by moving from a tax code in which: (1) the provisions of the EGTRRA and JGTRRA are permanently extended; (2) the alternative minimum tax ("AMT") exemption amounts are indexed for inflation beginning in tax year 2007; and (3) personal credit are allowed against the AMT to a tax code in which H.R. 3970, the "Tax Reduction and Reform Act of 2007" has been enacted, and EGTRRA and JGTRRA are not extended. You also requested that we provide you with the amount of the tax change by AGI category. The tabulations are for tax years 2008, 2011, and 2017.

For purpose of this analysis, the provision of EGTRRA and JGTRRA that are assumed to have been extended are: (1) the reduced marginal income tax rates for individuals, (2) the phase-out of the limitation on itemized deductions and personal exemptions, (3) marriage-penalty relief, (4) the reduced rates on capital gains and dividend income, (5) changes to the dependent care credit, the child credit, the adoption credit, earned income credit, and the student loan interest deduction; and (6) the treatment of the child credit, adoption credit, and earned income credit under the AMT. The provisions of H.R. 3970 that are included in this analysis are titles I.A. and I.B. of the Act.

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**Table 1**

<b>Calendar Year 2008</b>				
<b><u>AGI</u></b>	<b><u>Tax Increase</u></b>		<b><u>Tax Decrease</u></b>	
	<b>Returns</b> (Millions)	<b>Dollars</b> (Billions)	<b>Returns</b> (Millions)	<b>Dollars</b> (Billions)
Less than \$20,000.....	[1]	[2]	23.1	-5.6
\$20,000 - \$50,000.....	[1]	[2]	32.7	-3.3
\$50,000 - \$75,000.....	[1]	[2]	11.1	-1.4
\$75,000 - \$100,000.....	[1]	[2]	4.4	-0.9
\$100,000 - \$200,000.....	0.4	0.3	3.7	-3.8
\$200,000 - \$500,000.....	1.7	4.6	1.9	-8.5
\$500,000 - \$1,000,000....	0.6	13.0	[2]	-1.4
\$1,000,000 and above.....	0.4	55.1	[2]	-1.4
<b>Total.....</b>	<b>3.2</b>	<b>73.0</b>	<b>76.9</b>	<b>-26.4</b>

[1] Less than 50,000 returns.

[2] Less than \$50 million.

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**Table 2**

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<b>Calendar Year 2011</b>				
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<u><b>AGI</b></u>	<u><b>Tax Increase</b></u>		<u><b>Tax Decrease</b></u>	
	<b>Returns</b>	<b>Dollars</b>	<b>Returns</b>	<b>Dollars</b>
	(Millions)	(Billions)	(Millions)	(Billions)
Less than \$20,000.....	13.2	4.6	8.0	-2.7
\$20,000 - \$50,000.....	41.2	32.0	0.4	[2]
\$50,000 - \$75,000.....	21.3	22.4	[1]	-0.1
\$75,000 - \$100,000.....	13.6	22.5	0.1	-0.1
\$100,000 - \$200,000.....	18.0	61.0	0.3	-1.3
\$200,000 - \$500,000.....	4.4	40.0	0.3	-3.0
\$500,000 - \$1,000,000....	0.7	34.1	[1]	-1.0
\$1,000,000 and above.....	0.4	117.6	[1]	-0.8
<b>Total.....</b>	<b>112.9</b>	<b>334.2</b>	<b>9.0</b>	<b>-9.1</b>

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[1] Less than 50,000 returns.

[2] Less than \$50 million.

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**Table 3**

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<b>Calendar Year 2017</b>				
<b><u>AGI</u></b>	<b><u>Tax Increase</u></b>		<b><u>Tax Decrease</u></b>	
	<b>Returns</b> (Millions)	<b>Dollars</b> (Billions)	<b>Returns</b> (Millions)	<b>Dollars</b> (Billions)
Less than \$20,000.....	10.1	3.2	7.9	-3.2
\$20,000 - \$50,000.....	38.3	31.9	0.4	-0.1
\$50,000 - \$75,000.....	22.7	23.2	[1]	[2]
\$75,000 - \$100,000.....	15.8	22.8	0.1	-0.2
\$100,000 - \$200,000.....	24.7	79.4	0.4	-1.4
\$200,000 - \$500,000.....	7.4	55.3	0.6	-4.3
\$500,000 - \$1,000,000....	1.2	48.4	[1]	-1.8
\$1,000,000 and above.....	0.6	176.0	[1]	-1.4
<b>Total.....</b>	<b>120.7</b>	<b>440.2</b>	<b>9.3</b>	<b>-12.4</b>

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[1] Less than 50,000 returns.

[2] Less than \$50 million.